

Message Text

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APPROVED BY ARA:NC - MR. DEVINE

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TO AMEMBASSY CARACAS PRIORITY

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJECT: SENATOR LAWTON CHILES RESOLUTION CONCERNING
RECENT OIL PRICE INCREASES

THE FOLLOWING ARE EXCERPTS FROM A JANUARY 29 FLOOR STATE-
MENT BY SENATOR LAWTON CHILES (D. FLA.) WHICH PRECEDED
HIS RESOLUTION CONCERNING RECENT OIL PRICE INCREASES

QUOTE: AS IS WELL KNOWN, IT IS NOT JUST THE CANADIANS
WHO ARE PLAYING THIS GAME. VENEZUELA AND THE ARAB
COUNTRIES TOO HAVE HIKED THE DAYLIGHTS OUT OF THEIR OIL
PRICES. THE OUTGOING VENEZUELAN GOVERNMENT, AFTER SUFFER-
ING A DECISIVE DEFEAT AT THE POLLS ON DECEMBER 11TH, GAVE
AMERICANS A CHRISTMAS EVE ANNOUNCEMENT OF AN 80 PERCENT
INCREASE IN THEIR OIL PRICE. THIS INCREASE BECAME
EFFECTIVE ON JANUARY 1ST RAISING THE TAX REFERENCE PRICE
OF VENEZUELAN CRUDE TO OVER \$14.00 FROM \$8.00 A MONTH
BEFORE. THIS SEEMS CLEARLY TO BE A CASE OF A LAME DUCK
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PARTY MAKING A FINAL BID TO THE VENEZUELAN PEOPLE BEFORE

TURNING OVER THE REINS OF POWER TO THE OPPOSITION. WE
NEED TO THINK ABOUT HOW TO MAKE OUR INTERESTS KNOWN.

AGAIN, VENEZUELA, LIKE CANADA, IS VERY DEPENDENT ON US
FOR CERTAIN IMPORTS. FOR EXAMPLE VENEZUELA PRODUCES NO
WHEAT DOMESTICALLY AND GETS 93 PERCENT OF ITS SUPPLY FROM
THE UNITED STATES. THEY IMPORT NEARLY HALF A BILLION

DOLLARS IN INDUSTRIAL AND AGRICULTURAL MACHINERY FROM THE

U-S. EVERY YEAR. VENEZUELA HAS A SLUGGISH AGRICULTURAL
SECTOR AND ITS INDUSTRY IS JUST GETTING OFF THE GROUND.
SO THESE TWO SECTORS ARE HIGHLY DEPENDENT ON IMPORTS, AND
ESPECIALLY IMPORTS FROM THE UNITED STATES.

LET US LET THE VENEZUELAN GOVERNMENT KNOW THAT WE
MEAN BUSINESS. IF THEY ARE GOING TO JOIN THIS KNOCK-'EM-
SOCK-'EM BALL GAME WITH OIL PRICES, WE ARE GOING TO START
TO PLAY TOO. IT IS NOT THE NICEST WAY TO MAKE FOREIGN
POLICY, BUT THESE ACTIONS HURT SO WE NEED TO STRIKE BACK.
UNQUOTE.

QUOTE. AS WE HAVE BECOME PAINFULLY AWARE, THE MIDDLE
EAST IS IMPORTANT TO US TOO. BUT AMERICANS ARE NOT SO
AWARE OF THE FACT THAT WE GET MORE OIL FROM VENEZUELA
THAN FROM ALL THE ARAB COUNTRIES COMBINED AND THAT
VENEZUELA AND CANADA TOGETHER PROVIDE HALF OF OUR OIL
IMPORTS.

MR. PRESIDENT, OIL PRICE HIJACKING BY OTHER COUNTRIES
WITH DRASTIC DAMAGING EFFECTS ON THE JOBS AND PRICES OF
THE AMERICAN PEOPLE IS NO WAY TO PLAY THE INTERNATIONAL
GAME WHEN NATIONS OF TODAY ARE HIGHLY DEPENDENT ON EACH
OTHER NOT ONLY FOR GOODS BUT FOR ECONOMIC SURVIVAL. I
RESPECTFULLY REQUEST THAT THE SENATE URGE THE EXECUTIVE
TO TAKE SOME STEPS WHICH WILL SHOW THE REST OF THE WORLD
THAT WE WON'T BE PUSHED AROUND AND THAT THIS KIND OF GAME
IS NO FUN AT ALL TO PLAY BECAUSE NOBODY WINS, AND THERE-
FORE MR. PRESIDENT, I AM INTRODUCING A SENSE OF THE
SENATE RESOLUTION TO THIS EFFECT AND ASK THAT IT BE
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PRINTED IN THE RECORD AT THIS POINT IN MY REMARKS.

RESOLUTION INTRODUCED BY U.S. SENATOR LAWTON CHILES
(FLA.). -- JANUARY 29, 1974 APPROVED BY VOICE VOTE --
JANUARY 29, 1974

IT BE THE SENSE OF THE SENATE THAT IT BE AN URGENT
MATTER TO COMMUNICATE TO THE GOVERNMENTS OF CANADA,

VENEZUELA, AND THE ARAB OIL PRODUCING COUNTRIES THAT THE UNITED STATES VIEWS WITH UTMOST CONCERN RECENT OIL PRICE INCREASES AS DETRIMENTAL TO PRICES, REAL INCOME AND EMPLOYMENT IN THE UNITED STATES AND THAT SUCH ACTIONS BY THESE COUNTRIES SHOULD NOT BE TAKEN WITHOUT REGARD FOR THESE EFFECTS ON THE LIFE OF THE AMERICAN PEOPLE AND FOR THE POSSIBILITY OF RECIPROCAL ECONOMIC ACTION BY THE UNITED STATES WHICH MIGHT ADVERSELY AFFECT THE ECONOMIES OF THESE COUNTRIES. UNQUOTE. KISSINGER

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